

Attachment II

Verification of IEVS Safeguarded Information

By definition, all Internal Revenue Service (IRS) tax information, obtained from the Income and Eligibility Verification System (IEVS) computer matches, is unverified, hence unusable in its original form. It is the responsibility of the local county or tribal agency to contact a verification source and obtain verified information. The verified information is not subject to the IRS safeguard requirements, therefore can be used for any appropriate case action. The safeguarded document should then be destroyed.

There are a number of issues that county agencies must be aware of in performing these verification activities from IRS tax information sources.

- There are two sources that a local agency can use to verify federal tax information. (1) The third party source, i.e., financial institution or employer identified by the match as the original source of the tax information and (2) the taxpayer to which the information applies.

Note: The term taxpayer is intentionally being used to distinguish the person to whom the tax information applies from the “casehead”. Verification notices are usually directed to the designated casehead who is the person responsible for providing the verification. When federal tax information is involved, the verification notice must go to the taxpayer, who may not be the casehead.

- If tax information is used in the verification process, i.e., letter to the verification source, the verification document and any copies of that verification document become safeguarded documents. The IRS safeguard requirements apply fully to these documents. This includes the use of safeguard logs to track and report safeguards pertaining to copies of the verification paper documents, and not commingling safeguarded verification letters in case files. If the original verification document is returned to the agency, it must also be safeguarded. The agency should arrange for the verified data to be returned on a separate document to avoid future safeguard issues.
- There are two methods to avoid the creation of safeguarded documents in the verification process of federal tax information.

First, create and store the verification document on CARES. An alternative can be a secured, i.e., password protected, LAN or PC file. Do not print any copies of the verification document, except the original sent to the verification source. Delete this document from CARES when the verification is received. This is the recommended method to address this issue.

Second, under certain conditions, the use of only CARES or case file data in the creation of the verification document may avoid safeguarded status. As a general rule, it is always preferable to consider all verification documents resulting from IEVS tax match hits as safeguarded. If an agency intends to try to create non-safeguarded verification documents, they should be reviewed and given prior approval by the DUI Safeguard Manager. Such documents may not use any IRS tax information obtained from the match. Absent any match data, the verification document is not subject to safeguarding. This method can only be used when the source of the federal tax information is known on CARES and the verification request pertains to general information that the

verification source may have. It must also be obtainable with a non-specific verification request. This method cannot be used when the source of the federal tax information is not known on CARES, but was obtained from the IRS tax data. In this situation, the use of the source's name in the verification request creates a safeguarded document. This is also true when the verification request must be specific to data identified in the match.

- All IEVS data is on CARES and safeguarding is provided by the system's security. However, in using the data, some agency staff make notes or otherwise record federal tax information on paper temporarily during the verification process. These notes, etc. are safeguarded documents and should be avoided whenever possible. When necessary, the appropriate safeguard procedures must be applied.
- If paper safeguarded documents are created when verifying federal tax information, these documents must be kept in a safeguarded storage container and not commingled with case documents. Agency staff should use calendar or case file ticklers to track the verification process and refer them to the copies of the safeguarded verification documents.

If you have experienced other sorts of problems or concerns when verifying safeguarded data, please contact the DUI Safeguard Manager who is interested in developing a broad understanding of safeguard verification problems and solutions. This attachment can be updated periodically with new information to enable all agencies to successfully address this issue.